

# KENTUCKY INFRASTRUCTURE AUTHORITY

## Water and Wastewater Facilities Energy Efficiency Workshop

August 24 - 25, 2011



# What Is KIA?

**Local Governments' source of  
funding for Infrastructure Projects**

**- in particular Water and Wastewater**

# What Do We Do?

Facilitate Water and  
Wastewater Planning

Fund Infrastructure Projects  
Using Loans and Grants



# Project Planning

- All projects funded through KIA must be approved by the AWMC
- Water and Wastewater project planning begins at the local level with the utility or local government official
- Projects are vetted through the Area Water Management Councils at the ADDs

# Prioritization of Projects by AWMC

- Priority will be given to projects.....
  - involving regionalization of systems (physical or management)
  - with the highest impact in numbers of households served
  - with the lowest average cost per customer
  - where the Median Household Income is less than the state average
- Prioritizations are provided to Legislature

# Grants

**Grant funds administered by KIA are provided by the General Assembly of the Kentucky Legislature through the State Budget process as specific project line item grants.**

# KIA Has 4 Loan Programs

- **Federally Funded**
  - **Clean Water State Revolving Fund (Fund A)**
  - **Drinking Water State Revolving Fund (Fund F)**
- **State Funded**
  - **Infrastructure Revolving Loan/Grant (Fund B)**
  - **Governmental Agencies Program (Fund C)**

# State Funded Loan Programs (B and C)

- Loan programs for governmental entities for the construction of infrastructure projects, primarily water and sewer
- Minimal funding available
- Primarily used for small projects (\$500,000 or less) or to fill funding gaps for larger projects



# Funds B & C Terms

- **Interest Rates**

- Fund B – Current Rates are 3%, 2% and 1%
- Fund C – Interest Rates range from 3% to Market Rate

- **Flexible Maturities**

- Fund B – Repayment Terms from 5 to 30 years
- Fund C – Repayment Terms from 20 to 30 years

# Federally Funded Loan Programs (A & F)

- Created and Funded by the Federal Government
  - Clean Water Act (Fund A)
  - Safe Drinking Water Act (Fund F)
- Administered by the Commonwealth
  - Kentucky Infrastructure Authority (KIA)
  - Division of Water (DOW)
- Must Meet Federal Requirements
  - Provide Environmental Benefits (Fund A)
  - Promote Public Health (Fund F)
- Project **MUST BE** listed on the SRF Priority List. (Different from Area Water Management Council Priority List)



# FUND A

## CLEAN WATER STATE REVOLVING FUND

2012 Funds Available ~ \$132,475,385



# ELIGIBLE PROJECTS - CWSRF

- **Wastewater Collection, Conveyance, & Treatment Facilities**
- **Storm Water Collection, Conveyance, & Treatment Facilities**
- **Implementation of Nonpoint Source Pollution Control Management Programs;**
- **Purchase of Wastewater System**

# FUND F

## DRINKING WATER STATE REVOLVING FUND

2012 Funds Availability ~ \$38,373,772



# ELIGIBLE PROJECTS - DWSRF

- **Replace Inadequate/Aging Infrastructure**
- **Upgrade Treatment Facilities**
- **Install or Upgrade Storage**
- **Rehab Wells or Develop Source Water**
- **Consolidation/Purchase of Water Systems**
- **Extension of Service to Existing Homes to Address Quantity and Quality Issues**
- **Security Measures**



# CURRENT SRF RATES

Interest Rate set annually by the KIA Board.

- Standard Rate is 3.0% (MHI at or above \$41,197)
- Non-Standard Rate (a) is 2.0% (MHI between \$32,958 & \$41,197)
- Non-Standard Rate (b) is 1.0% (MHI at or below \$32,958)
- Criteria for Non-standard Rates based on:
  - MHI of Jurisdiction
  - MHI of service area
  - Regionalization
  - Orders or Judgments
  - Public Health or Safety Issues
  - Environmental Concerns
  - Financial Considerations

# REPAYMENTS TERMS



## Repayment Period

**CWSRF – 20 Years**

**DWSRF – 20 Years (may be 30 years if  
hardship community)**

## Financing Expenses

**CWSRF – 0.2% Servicing Fee**

**DWSRF – 0.25% Servicing Fee**

**Debt Service Reserve: None**

**Replacement Reserve: 2.5% of  
project amount funded over 10 years**



# WHERE TO START?

- Project Profile
- Call for Projects

## IMPORTANT DATES:

October 1, 2011 - DW & CW Call by KIA & DOW

December 31, 2011 - Call for Projects Closed

March 31, 2012 - DOW Project Ranking Complete

June 1, 2012 - Draft IUP and Priority List

July 1, 2012 - Beginning of Funding Cycle



# AGENCY CONTACTS

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